

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

NICK SPEARS AND EDWARD
MCILHARGEY, INDIVIDUALLY, AND
ON BEHALF OF
OTHERS SIMILARLY SITUATED,

Plaintiffs,

v.

MEDROBOTICS, SAMUEL STRAFACE,
INDIVIDUALLY, and MARK PETERS,
INDIVIDUALLY,

Defendants.

Civ. Action No. _____

CLASS ACTION COMPLAINT AND JURY DEMAND

Plaintiffs, Nick Spears and Edward McIlhargey, individually, and on behalf all others similarly situated, by and through counsel, bring this action against Medrobotics and Samuel Straface, individually, and Mark Peters, individually (collectively “Defendants”). Plaintiffs’ allegations are based upon personal knowledge and belief as to their own acts and upon the investigation of their counsel and information and belief as to all other matters.

This case arises out of Defendants’ failure to pay employees wages and benefits earned and owing since January 24, 2020. The Attorney General of Massachusetts has fined Medrobotics over a million dollars, and still, Defendants have failed to pay employees wages and other benefits earned and owing. Defendants have made repeated promises that Medrobotics would correct the situation and even promised bonuses to employees. These promises have gone unfulfilled. Instead, Defendants have failed to inform employees about whether they were laid

off or whether they should apply for unemployment benefits. Many employees continued to work for no wages and Medrobotics has allowed employees to work for no wages. The Defendants' actions, as described in more detail herein, have violated both federal and state law.

PARTIES

1. Plaintiff, Nick Spears is an individual residing at 489 East Third Street, Boston, Ma. He is or was employed by Medrobotics as an engineer. His annual gross salary was approximately \$90,000 a year plus benefits.
2. Plaintiff, Edward McIlhargey is an individual residing at 558 Tremont Street, Taunton Ma, 02780, and is or was employed by Medrobotics in quality control and was paid on an hourly basis and received overtime and other benefits. His gross wages approximated \$82,000 a year.
3. Medrobotics is a privately held company, headquartered in Raynham, Massachusetts in the business of manufacturing medical robotics for use in surgical procedures.
4. Defendant, Samuel Straface, is the President and Chief Executive Officer of Medrobotics. Pursuant to M.G.L.c.149 §§148, 150, he is individually liable to the Plaintiffs.
5. Defendant, Mark Peters is the Chief Financial Officer and Treasurer of Medrobotics. Pursuant to M.G.L.c. 149 §§148, 150, he is individually liable to the Plaintiffs.

JURISDICTION AND VENUE

6. Jurisdiction is proper pursuant to 28 U.S.C. §1331 because this Court has subject matter jurisdiction which is grounded in Plaintiffs' Fair Labor Standards Act ("FLSA") claim.
7. Jurisdiction to adjudicate the state law claims is appropriate pursuant to 28 U.S.C. §1337 (a).
8. Venue is appropriate pursuant to 28 U.S.C. §1391.

FACTS

9. At all relevant times Plaintiffs, and the putative class, were employed in varying capacities by Medrobotics.
10. On or about January 24, 2020, Medrobotics failed to pay its employees earned wages and benefits. As of the filing of this Complaint, Medrobotics still has not paid its employees earned wages and benefits.
11. At all relevant times, Medrobotics repeatedly promised that it would pay its employees all earned wages and benefits as soon as it received funding from unnamed investors. See Exhibit A, attached hereto. For example, and without limitation:
 - a. 2/7/2020: Defendant Peters, said in an email that: “We processed payroll today after confirming commitment of incoming wire funds from an investor. Because confirmation of receipt of funds in our account is to occur after our deadline, the processing timing will impact individual employee direct deposits. As a result, electronic deposits for payroll and expenses should occur Monday or Tuesday next week, not today. We apologize for any issues this may cause. Please see me or Gary should you have any questions. We will also have an all hands meeting on Monday to discuss this and other finance, as well as operational matters.”
 - b. 2/11/2020: Update sent by the CFO that payroll would not be funded.
 - c. 2/12/2020: Medrobotics “anticipate funding tomorrow which will then release payroll, expenses **and one-time \$2k payment.**”
 - d. 2/12/2020: Email from Julie Gorman (Corporate Controller) confirming the \$2k one-time payment by sending a poll, where employees could choose to withhold 401k deduction from the one-time payment.

- e. 2/13/2020: Defendant Straface sent an email stating that Friday (2/14) would be a paid Company holiday in addition to the previously scheduled President's Day holiday.
- f. 2/14/2020: Another update from Defendant Peters stating, "The 2/7 payroll, all expense reimbursements, and the one-time \$2,000 payment will be deposited into your accounts early next week. The delay in receiving funds for our payroll is mainly due to problems in transferring funds from investment accounts and various banks. The reference earlier in the week to having a tracking number was for an interbank transfer and not as everyone had anticipated, a wire of funds. The new investor feels terrible about the delay in receipt of funds and the impact on the company. They have since authorized funds to be wired from a different source, but the funds did not arrive in time for the Paylocity cut-off this afternoon. We wish the timing of this was better, especially before the long weekend. We apologize again for the delay and thank you for your patience and resilience. As soon as we know more, we will send an update to the team. Also please note, we have been fortunate to find a new and very supportive investor and we are thankful to add them to our shareholder group."
- g. 2/18/2020: Defendant Straface provided a funding update citing the "internal processes [of the potential investor] have made the timely receipt of funds difficult." The following day, he sent an email stating that "it is not required" for full-time employees to come to work.

- h. 2/21/2020: Defendant Straface confirmed the \$2,000 promise of a bonus in an email. Also, in this email he states: "Our investor has confirmed to us that funds have been wired, but we are still waiting to see these funds in our account."
- i. Updates from 2/21/2020 to the most recent on 3/6/2020 continue to promise that funds are arriving, and everyone will be paid.

12. These promises were intended by Medrobotics to induce its employees to work despite knowing that it had no funds.

13. Medrobotics did not lay off its workforce. No notices of termination or lay-offs were issued. No formal instructions were provided to employees about whether they should and how to apply for unemployment benefits. Instead, Medrobotics continued to accept employees' services knowing it would not be able to pay for those services.

14. Without any information from Medrobotics other than empty promises that funding was coming, some employees, such as Plaintiff Spears, eventually stopped working.

15. Some employees, such as Plaintiff McIlhargey, continued to work because he felt compelled for the safety of the patients whose surgeons were using the Medrobotics products.

16. Upon information and belief, Medrobotics employs, or employed, over 100 individuals. Upon information and belief, none of the 100 individuals have received all earned income and benefits.

CLASS ACTION ALLEGATIONS

17. This action is brought, and may properly proceed, as a class action, pursuant to Mass.

Rule Civ. P. 23. In addition, the Massachusetts wage and hour statute states that a plaintiff may bring a lawsuit on behalf of “himself and for others similarly situated.” M. G. L. c. 149, § 150, c.151, §§ 1B, 20.

18. Plaintiffs seek certification of a Class defined as follows: All persons who have worked or otherwise performed services for Medrobotics and who have not received earned wages and benefits.

19. Numerosity: The Class is so numerous that joinder of all members is impracticable. While the exact number and identities of individual members of the Class is unknown at this time, such information being in the sole possession of the Defendants and obtainable by Plaintiffs only through the discovery process, Plaintiffs believe, and on that basis alleges, that at least scores of individuals are similarly situated in that they worked for Medrobotics and have not been paid earned wages and benefits

20. Existence/Predominance of Common Questions of Fact and Law: Common questions of law and fact exist as to all members of the Class. These questions predominate over the questions affecting individual Class members.

21. Typicality: Plaintiffs’ claims are typical of the claims of the Class because Plaintiffs performed services for Medrobotics and were injured in the same manner by Defendants’ uniform course of conduct alleged herein. Plaintiffs and all putative Class members have the same claims against Defendants relating to the conduct alleged herein, and the same events giving rise to Plaintiffs’ claims for relief are identical to those giving rise to the claim of all putative Class Members. Plaintiff and all putative Class members sustained damages arising out of Defendants’ violation of both Federal and State law relating to Defendants’ failure to

pay its employees earned wages and benefits. Plaintiffs are advancing the same claims and legal theories on behalf of themselves and all absent putative Class members.

22. Adequacy: Plaintiffs are adequate representatives for the Class because their interests do not conflict with the interests of the Class that they seek to represent. Plaintiffs have retained counsel competent and experienced in complex class action litigation and they intend to prosecute this action vigorously. The interests of the Class will be fairly and adequately protected by Plaintiffs and their counsel.

23. Superiority: A class action is superior to all other available means of fair and efficient adjudication of the claims of Plaintiff and members of the Class. The injury suffered by each individual putative Class member is relatively small in comparison to the burden and expense of individual prosecution of the litigation necessitated by Defendants' conduct.

Count I
(Violation of FLSA, 29 U.S.C. § 216(b))
(Against Medrobotics)

24. Plaintiffs repeat and incorporate herein by reference every preceding paragraph as if fully restated herein.

25. Plaintiffs have not received wages and benefits in accordance with FLSA.

26. Plaintiffs are entitled to damages and other relief to be determined at trial.

Count II
(Violation of Massachusetts Wage and Hour Laws)
(Against All Defendants)

27. Plaintiffs repeat and incorporate herein by reference every preceding paragraph as if fully restated herein.

28. Defendants have failed to pay Plaintiffs weekly or biweekly wages in violation of M.G.L.c. 149 §148.
29. Defendants have failed to pay minimum wages in violation of M.G.L. c. 151 §§1,2 and 7.
30. Defendants have failed to pay wages in violation of M.G.L.c. 149 §148.
31. Defendants have failed to pay overtime in violation of M.G.L. c. 151 Sec. 1A.
32. Defendants have failed to pay earned sick time in violation of M.G.L.c. 149 §148C.
33. Defendants have failed to pay all other promised wages and benefits in violation of Massachusetts law.
34. Plaintiffs are entitled to damages and other relief to be determined at trial.

Count III
(Promissory Estoppel)
(Against All Defendants)

35. Plaintiffs repeat and incorporate herein by reference every preceding paragraph as if fully restated herein
36. At all relevant times, Defendants promised that Plaintiffs would be paid for services rendered to Medrobotics.
37. At all relevant times Plaintiffs relied on the promises made by the Defendants.
38. All the conditions required for Plaintiffs' performance occurred.
39. Defendants failed without any justification whatsoever to fulfill the promises made to Plaintiffs.
40. Plaintiffs suffered damages due to Defendants' conduct.
41. Plaintiffs are entitled to damages and other relief to be determined at trial.

**Count IV
(Unjust Enrichment)
(Against Medrobotics)**

42. Plaintiffs repeat and incorporate herein by reference every preceding paragraph as if fully

restated herein.

43. Medrobotics has been unjustly enriched to the detriment of Plaintiffs, and thus Plaintiffs

are entitled to recovery on this claim.

44. Plaintiffs are entitled to damages and other relief to be determined at trial.

WHEREFORE, Plaintiffs seek judgment against Defendants as follows:

- A. All damages to which Plaintiffs are entitled under federal law and Massachusetts law, including without limitation, damages, treble damages, interest, attorneys' fees and costs.
- B. Such other and further relief as the court may deem just and proper.

JURY DEMAND

The Plaintiffs request a trial by jury on all claims so triable.

Date: 3/17/2020

Respectfully Submitted
By Their Attorneys,



Gilbert J. Schipani, BBO#675566
Alexis Smith Hamdan, BBO#557783
Tempus Fugit Law, LLC
183 State Street, 2nd Floor
Boston, Ma 02109
(617) 752-2371

EXHIBIT A

From: Mark Peters
Sent: Friday, February 7, 2020 4:12 PM
To: Medro-All Employees-Global
Subject: Important Payroll Update

Team,

Please note the important payroll update below:

We processed payroll today after confirming commitment of incoming wire funds from an investor. Because confirmation of receipt of funds in our account is to occur after our deadline, the processing timing will impact individual employee direct deposits. As a result, electronic deposits for payroll and expenses should occur Monday or Tuesday next week, not today. We apologize for any issues this may cause. Please see me or Gary should you have any questions. We will also have an all hands meeting on Monday to discuss this and other finance, as well as operational matters.

Thank you,
Mark

MARK PETERS

Chief Financial Officer
Medrobotics Corporation
475 Paramount Drive
Raynham MA 02767 USA

Email: mpeters@medrobotics.com
Office: 1-508-692-6037
Mobile: 1-781-561-5612
www.medrobotics.com

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From: Mark Peters
Sent: Tuesday, February 11, 2020 3:41 PM
To: Medro-All Employees-Global
Subject: Payroll Update

Importance: High

Team,

Payroll will not fund today.

Funds are being tracked but have not deposited into our account yet to allow us to release payroll. We will provide another update tomorrow as soon as we can.

Again, we apologize for any hardship this has caused. Please feel free to see me if you need assistance or have questions.

Thank you,
Mark

MARK PETERS

Chief Financial Officer
Medrobotics Corporation
475 Paramount Drive
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Email: mpeters@medrobotics.com
Office: 1-508-692-6037
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From: Mark Peters
Sent: Wednesday, February 12, 2020 5:30 PM
To: Medro-All Employees-Global
Subject: Payroll Update

Importance: High

Team,

Payroll will not fund today.

Funds are being tracked and we anticipate funding tomorrow which will then release payroll, expenses and the one-time \$2k payment. We will provide another update as soon as possible.

Please feel free to see me if you need assistance or have questions. Again, our apologies for any hardship this has caused you and your families.

Sincerely,
Mark

MARK PETERS

Chief Financial Officer
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From: Julie Gorman
Sent: Wednesday, February 12, 2020 8:55 PM
Subject: \$2k Payment 401k Withholding Question

Importance: High

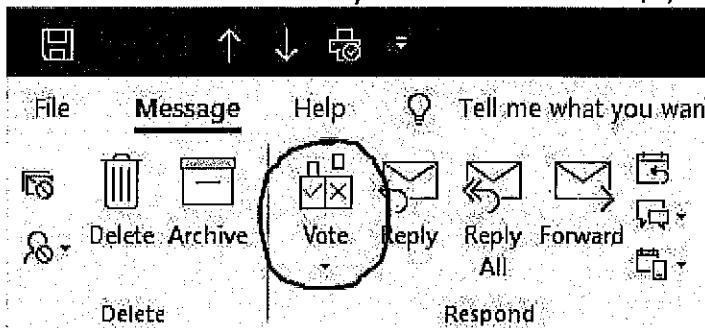
Hello,

As stated in Mark's email today, we are preparing for the one-time \$2,000 payroll batch, and have noted you have a percentage elected for your 401k deferral. Please respond as soon as possible if you would like to have your 401k deduction applied to this anticipated off cycle paycheck. If we don't receive a response from you prior to the payroll submission, the 401k deferral must remain in effect so we stay in compliance with our 401k Plan Document, which states we must withhold 401k on all W2 earnings.

Please use the voting button in the above left-hand corner of this email to vote, or reply to this email.

YES = Please deduct my normal 401k from the \$2,000 one-time payroll

NO = Please do not deduct my normal 401k from the \$2,000 one-time payroll



Please email me directly with any questions.

Thank you,

Julie

Julie Gorman, CPA, MSA
Corporate Controller
Medrobotics Corporation
475 Paramount Drive
Raynham, MA 02767
(508) 692-6460 X323 – Office
www.Medrobotics.com

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From: Samuel Straface
Sent: Thursday, February 13, 2020 4:26 PM
To: Medro-All Employees & Contractors
Cc: Securitas Security
Subject: Make tomorrow a Holiday as well...

Folks, while we work on payroll, I want to offer everyone Friday as a paid company Holiday, in addition to Monday's President Day. Some of you have to work on Friday and Monday, and we appreciate if you do. If this is your situation, then please take your gifted Holiday at some other time more convenient to you and thank you again. For contractors, we will also grant tomorrow as a fully paid holiday.

Thank you all.

Samuel

SAMUEL STRAFACE, PH. D.

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From: Mark Peters
Sent: Friday, February 14, 2020 3:52 PM
To: Medro-All Employees-Global; Medro-Paylocity-Contractors
Subject: Payroll Update

Importance: High

Team,

The 2/7 payroll, all expense reimbursements, and the one-time \$2k payment will deposit into your accounts early next week.

The delay in receiving funds for our payroll is mainly due to problems in transferring funds from investment accounts and various banks. The reference earlier in the week to having a tracking number was for an interbank transfer and not as everyone had anticipated, a wire of funds. The new investor feels terrible about the delay in receipt of funds and the impact on the company. They have since authorized funds to be wired from a different source, but the funds did not arrive in time for the Paylocity cut-off this afternoon.

We wish the timing of this was better, especially before the long weekend. We apologize again for the delay and thank you for your patience and resilience.

As soon as we know more, we will send an update to the team.

Also please note, we have been fortunate to find a new and very supportive investor and we are thankful to add them to our shareholder group.

Sincerely,
Mark

MARK PETERS

Chief Financial Officer
Medrobotics Corporation
475 Paramount Drive
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Email: mpeters@medrobotics.com
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From: Samuel Straface
Sent: Tuesday, February 18, 2020 4:19 PM
To: Medro-All Employees & Contractors
Subject: Financing Update

Folks,

As of 4PM EST, we have not yet received the funds committed by the new investor. We apologize for the continued delay as this has been a very difficult experience for all of us. While the intent of the investor is to fund Medrobotics, their internal processes have made the timely receipt of funds difficult and with the difference in time zones, among other issues, communication has not always been easy. While we remain very confident about the ultimate receipt of funds, we feel that we cannot ask you to continue to come to work without funding being guaranteed. Please stay in touch with your manager and we will provide email updates each day until funding is secured, which we believe to be very soon.

We are very sensitive to the hardship this has caused you and your families. We are very sorry you are experiencing this and hope that we can bring much needed relief to you and your families very soon.

Faithfully yours,

Samuel

SAMUEL STRAFACE, PH. D.

President & CEO
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475 Paramount Drive,
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From: Samuel Straface
Sent: Wednesday, February 19, 2020 9:39 AM
To: Medro-All Employees & Contractors
Subject: RE: Financing Update

Good morning Folks:

To address some questions being asked about your presence at work, I want to be clear that if you are an employee, you are most welcome to come to work, with our sincere gratitude, however, given the current hardship, we are not requiring you to do so. Whether you choose or not to come to work, you will be paid as soon as the financing arrives. At this time, I cannot guarantee when the financing will arrive, but we are working as diligently as possible to have the funds arrive soon.

If you are a contractor, and your manager is not in the office, then you cannot be here. It is and has always been a policy of this Company that contractors cannot enter the building unless their supervisor is onsite. If you are full-time contractor, then you will also be paid when the financing arrives. Thank you again for your patience and support of each other, and the Company.

Faithfully yours,

Samuel

SAMUEL STRAFACE, PH. D.

President & CEO
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From: Samuel Straface <sstraface@medrobotics.com>
Sent: Tuesday, February 18, 2020 4:19 PM
To: Medro-All Employees & Contractors <medro-allemployees-contractors@medrobotics.com>
Subject: Financing Update

Folks,

As of 4PM EST, we have not yet received the funds committed by the new investor. We apologize for the continued delay as this has been a very difficult experience for all of us. While the intent of the investor is to fund Medrobotics, their internal processes have made the timely receipt of funds difficult and with the difference in time zones, among

From: Mark Peters
Sent: Wednesday, February 19, 2020 5:29 PM
To: Medro-All Employees-Global; Medro-Paylocity-Contractors
Subject: Payroll Update

Importance: High

Team,

We have not received the funds yet.

Good progress was made today and we will continue to keep you updated.

As Samuel noted in his previous communication, you may remain at home until we receive the funds. Upon funding, we will pay all employees and contractors regardless if they came in or not the past few days.

We again apologize for this hardship. Please see me or your manager if you need anything.

Sincerely,
Mark

MARK PETERS

Chief Financial Officer
Medrobotics Corporation
475 Paramount Drive
Raynham MA 02767 USA

Email: mpeters@medrobotics.com
Office: 1-508-692-6037
Mobile: 1-781-561-5612
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From: Samuel Straface
Sent: Friday, February 21, 2020 5:28 PM
To: Medro-All Employees & Contractors
Subject: Update on Payroll

Team, this is where we are. Our investor has confirmed to us that funds have been (not "will be" or "should be") wired, but we are still waiting to see these funds in our account. I will e-mail you as soon as I know those funds have been received by us.

The funds in transit will enable us to pay all of your salary, expenses and commissions (where applicable) in full for both the February 7th and 21st pay periods. We will also include with this payment the \$2,000 bonus the Board has authorized for each of you. Let me assure you that this funding will also cover the healthcare insurance premium due at the end of the month (we are fully paid up already for this month).

I know I cannot fully comprehend how difficult this has been on you and your families. We had never anticipated this long a delay, or any delay, for the funds to be wired. We know the consequence of this delay has been terrible for many of you. I am deeply sorry for the pain and hardship this has caused you and your families. I know we have a long road ahead to regain your trust, and we fully expect you to be cautious in the near future. Again, I am sorry for the hardship you have experienced.

When I am able to confirm to you the receipt of funds in our account, I hope the knowledge that you will be fully paid will bring some comfort to you over the weekend.

Faithfully yours,

Samuel

SAMUEL STRAFACE, PH. D.

President & CEO
Medrobotics Corporation
475 Paramount Drive,
Raynham, Massachusetts 02767 USA

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From: Samuel Straface
Sent: Monday, February 24, 2020 11:47 PM
To: Medro-All Employees & Contractors
Subject: Update on Financing and Payroll

Team, this is where we are tonight. Again, our investor has confirmed that funds have been sent, although not received by us at this time. While wires sometimes take days to arrive, especially for large amounts or if from overseas locations, we were quite honestly expecting the funds would be in by this evening. We know this news will be disappointing to you (rightly so), and I share in the same disappointment. I want you all to be on the other side of this difficult situation and to not worry about your financial situation at home. Mark and I, together with the Board, are working every moment of every day to ensure we end this period of hardship for you.

I am aware that many of you are concerned about healthcare benefits for March. While I do not believe funding will be delayed that long, I will acknowledge the potential for extended delays and let you know the Board of Directors will continue to discuss and consider a plan of action, should funding not arrive by the end of February.

I want to acknowledge some pretty heroic effort by the sales organization, operations team and specifically the sales training group. The teams ran two training courses last week on each coast and financed every dollar of it from their own pockets (including transport, cadavers and supplies). I was witness to the team's incredible performance over the weekend in Raynham, and I wrote in Yammer, "they did us proud!" I also want to acknowledge the significant number of teammates who have been supportive each and every day and conduct the business of Medrobotics. All these people are true inspirations to all of us in management and the Board. I want to acknowledge them because they do these things without calling attention to themselves, and this is way beyond what is expected by me or anyone in management or the Board. Thank you, thank you, thank you. At the same time, I do want to reiterate that until funds are in hand, your presence at the office or in the field is voluntary.

I do want to deliver amazing news to you soon. Mark and I will continue to dedicate every minute of our time and focus to work with investors to get this financing done and without further delay.

I will update you again tomorrow and hope to deliver the news you all are waiting for. Goodnight!

Faithfully yours,

Samuel

SAMUEL STRAFACE, PH. D.

President & CEO
Medrobotics Corporation
475 Paramount Drive,
Raynham, Massachusetts 02767 USA

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Company: +1-508-692-6460

Direct Telephone: +1-617-818-4466

Facsimile: +1-508-823-1703

www.Medrobotics.com

From: Samuel Straface
Sent: Tuesday, February 25, 2020 10:57 PM
To: Medro-All Employees & Contractors
Subject: Funding Update

Team, this evening's update does not include confirmation of receipt of funds, but nothing in the last 24 hours, including the latest discussion with our investor which concluded only a few minutes ago, dampens our belief that we will see new investment this week. We remain subject to a process we cannot control, but we will keep you immediately updated as we know more through tomorrow.

Faithfully yours,

SAMUEL

SAMUEL STRAFACE, PH. D.

President & CEO

Medrobotics Corporation

475 Paramount Drive,

Raynham, Massachusetts 02767 USA

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From: Samuel Straface
Sent: Wednesday, February 26, 2020 9:21 PM
To: Medro-All Employees & Contractors
Subject: Funding update

Team, just as last night's message, nothing in the last 24 hours, including the latest discussion with our investor moments ago, dampens our belief that we will see new investment this week. We will keep you immediately updated as we know more through tomorrow.

Faithfully yours,
SAMUEL
SAMUEL STRAFACE, PH. D.
President & CEO
Medrobotics Corporation
475 Paramount Drive,
Raynham, Massachusetts 02767 USA

Email: SStraface@Medrobotics.com
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Direct Telephone: [+1-617-818-4466](tel:+1-617-818-4466)
Facsimile: [+1-508-823-1703](tel:+1-508-823-1703)
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From: Samuel Straface
Sent: Thursday, February 27, 2020 7:55 PM
To: Medro-All Employees & Contractors
Subject: Funding Update

Team:

I am very much aware of how much pain this delay in funding is causing you and your family. I continue to believe, along with Mark and the Board, that funding is imminent. Unfortunately, I do not have control over the internal processes within the offices of the very large investors.

I understand your concerns regarding the continuation of healthcare benefits and I want you to know that we have been working on alternative short-term financing strategies to cover health benefits for the month of March.

We will keep you immediately updated as we know more through tomorrow.

Faithfully yours,

Samuel

SAMUEL STRAFACE, PH. D.

President & CEO
Medrobotics Corporation
475 Paramount Drive,
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From: Samuel Straface
Sent: Friday, February 28, 2020 6:23 PM
To: Medro-All Employees & Contractors
Subject: Interim Financing Update

Team:

We only want to report what we can verify. However, understanding the stress that some of you are experiencing right now, I want to let you know that Mark and I have identified an alternative source of funds that would enable the payment on Monday, of salaries, expenses and of course health benefits. I cannot verify the funds right now but hope to be able to do so by tomorrow. I will send a short update tomorrow before 6pm. These funds are in addition to the much larger investment we have been updating you on over the last weeks - the large investor, today, reiterated their commitment to wire funds.

Again, I would have preferred to have written this report to you with some verification of funding having been sent. I know some of you are entering this weekend with concerns over health benefits, among other things, so I hope in some way this brings some comfort to you knowing we are focused on having this covered for all of you.

Faithfully yours,

Samuel

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From: Samuel Straface
Sent: Saturday, February 29, 2020 5:40 PM
To: Medro-All Employees & Contractors
Subject: Financing Update

Team:

We have been working through the night and today to secure funding for payroll, expenses and health insurance (and for your information, insurance is covered for tomorrow). We have multiple investors working hard to transfer funds to our Silicon Valley Bank for Monday. We believe the probability is high of achieving this but I cannot guarantee at this time, which was what I wanted to write you by now. Please know we are working smartly to get this done, to relieve the pressure off you and your family.

While I feel confident about meeting the Monday milestone, I am not able to guarantee, as I hoped at this time.

I will update you again on Sunday at 6pm. Thanks for all the good wishes and encouragement. We want to deliver relief to you and there is no more important objective for us this weekend.

Faithfully yours,

SAMUEL

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President & CEO

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From: Samuel Straface <sstraface@medrobotics.com>
Sent: Friday, February 28, 2020 6:23:12 PM
To: Medro-All Employees & Contractors <medro-allemployees-contractors@medrobotics.com>
Subject: Interim Financing Update

Team:

We only want to report what we can verify. However, understanding the stress that some of you are experiencing right now, I want to let you know that Mark and I have identified an alternative source of funds that would enable the payment on Monday, of salaries, expenses and of course health benefits. I cannot verify the funds right now but hope to

From: Samuel Straface
Sent: Sunday, March 1, 2020 5:57 PM
To: Medro-All Employees & Contractors
Subject: Re: Financing Update

Team:

As of now, I do not have anything new to report from our last report. We continue to work with the new investors on financing. Thanks again for all the well wishes and encouragement.

Faithfully yours,

SAMUEL

SAMUEL STRAFACE, PH. D.

President & CEO

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From: Samuel Straface <sstraface@medrobotics.com>

Sent: Saturday, February 29, 2020, 5:40 PM

To: Medro-All Employees & Contractors

Subject: Financing Update

Team:

We have been working through the night and today to secure funding for payroll, expenses and health insurance (and for your information, insurance is covered for tomorrow). We have multiple investors working hard to transfer funds to our Silicon Valley Bank for Monday. We believe the probability is high of achieving this but I cannot guarantee at this time, which was what I wanted to write you by now. Please know we are working smartly to get this done, to relieve the pressure off you and your family.

While I feel confident about meeting the Monday milestone, I am not able to guarantee, as I hoped at this time.

I will update you again on Sunday at 6pm. Thanks for all the good wishes and encouragement. We want to deliver relief to you and there is no more important objective for us this weekend.

From: Mark Peters
Sent: Monday, March 2, 2020 10:30 AM
To: Medro-All Employees-Global; Medro-Paylocity-Contractors
Subject: Update

Team,

We will follow with a funding update as soon as possible today. Regarding health insurance, we still have coverage.

Best Regards,
Mark

MARK PETERS

Chief Financial Officer
Medrobotics Corporation
475 Paramount Drive
Raynham MA 02767 USA

Email: mpeters@medrobotics.com
Office: 1-508-692-6037
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From: Samuel Straface
Sent: Wednesday, March 4, 2020 8:16 PM
To: Medro-All Employees & Contractors
Subject: Financing Update

Team:

I am updating you only on what I can be certain of. Health insurance is covered for March. Funds from investor have not been received but are expected soon. I will update you as soon as I verify that funds have arrived. As soon as they arrive, all back pay, expenses and benefits will be immediately sent to you.

Faithfully yours,

Samuel

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From: Samuel Straface
Sent: Friday, March 6, 2020 6:25 PM
To: Medro-All Employees & Contractors
Subject: Interim Update

Team:

I stated in past email updates that I want to provide you with information on the status of our financing, which can be verified. I really want to provide you with good news and perhaps will be able to do so over the next day or two. I will keep you updated over the weekend as soon as I can verify the receipt of funds.

Faithfully yours,

Samuel

SAMUEL STRAFACE, PH. D.

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